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Decentralization issues

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A. Introduction

1. FAO is a knowledge organization with its feet on the ground. In order for FAO to maximize its impact on the lives and livelihoods of people in its Member countries, the Organization's normative and standard-setting work must be translated into country-level impact; its global knowledge products must lead to tangible change in policy and practice; and its programmes in the field must produce measurable and valued results. Significant changes are required to improve the performance of FAO to produce knowledge, norms and standards that are translated into country-owned policies, strategies and programmes, while also learning from national and regional experiences. This also requires a deeper partnership with governments, civil society and the private sector, as well as UN system, other development organizations and research institutions, working together to make the most of available resources to eradicate hunger.

2. The Organization has been working over the past four years on reforms to improve its impact and ensure that all parts function as one in an efficient and effective manner. As highlighted in the Independent External Evaluation, agreed by Members through the Immediate Plan of Action and reiterated in a number of evaluations and other documents, decentralization is a critical element in improving the Organization's performance and impact. It is not an end in itself but a means to achieving greater efficiency, accountability, transparency and impact in providing support to Member countries. It is a process that aims at fundamentally changing the way FAO works, refocusing, as appropriate, the Organization's programmes and activities to achieving development goals at country level. There is both urgency and opportunity in how the Organization implements this process.

3. A flexible and responsive country-impact-centred network is needed. This, together with empowered Assistant Directors-General (ADGs)/Regional Representatives and FAO Country Representatives who will have greater latitude in dealing with resources within the region and countries, entails a significant change in organizational culture, processes and information systems. The first step is clearly to make the best use of those human and financial resources that currently are available within each region. Members and the Secretariat of the Organization have been working together on a renewed vision of the structure and functioning of FAO's decentralized offices and on how they relate to other parts of the Organization. The proposal, and the plan for its implementation, will be presented for consideration by the Finance and Programme Committees in May 2012, and for endorsement by the Council in June 2012. The Regional Conference for Asia and the Pacific (APRC) is invited to make recommendations and to offer guidance, in line with its new role as a Governing Body, with full awareness of the financial implications of the programme it endorses.

4. The changes outlined in this paper represent implementation proposals by FAO management in response to the expressed wishes and expectations of Members for improvements integral to larger FAO reforms. They also embody the elements of the agreed organizational Culture Change Strategy and take its implementation forward. The Culture Change Strategy, approved in 2011, stated that "*FAO aspires to a culture that is less hierarchical, more results-focused, more collaborative, entrepreneurial and accountable; and one which makes the best use of the skills of its people, creating mutual respect among employees at all levels.*" Decentralization has major implications for FAO's organizational culture and touches directly on all the actions recommended in the Culture Change Strategy, building renewal around *people, performance and partnerships*. Drawing on elements of the Strategy, the decentralized offices network is critical, for example, for *career development* and an *inclusive work environment*; the selection, evaluation and succession planning of country representatives is necessary to *ensure professional excellence* of the Organization; *enhancing the performance of FAO* depends on the prioritization, results, efficiency and accountability of what it does in the field; "*Working as One FAO*" can only be accomplished if this extends to the country level; and the real test of *strengthened partnerships* will depend on knowledge sharing, learning and stakeholder orientation on the ground.

5. Many of the changes introduced below will have significant behavioural and mindset impact regarding decentralized offices, but actions are also required at headquarters. In the past, moving out of headquarters to work in the field was often seen as undesirable or detrimental to professional

advancement. Now, however, many FAO career development paths are expected to include a rotation in a decentralized office. Promotions, particularly at the higher levels will take this into consideration, on a merit basis. Furthermore, greater technical support is required from headquarters officers to assist in the translation of normative work to country actions and to respond to requests from decentralized offices in a timely fashion. Similarly, feedback from field experience is necessary to enrich headquarters normative work and headquarters staff must be fully engaged in Functional Technical Networks (FTNs), on an equal footing with colleagues in the field. New human resource policies and new administrative processes are being introduced and new information systems and a strengthened global ICT network are needed. There are a number of ways in which FAO may encourage this shift in mindset, such as requirements that work plans make interaction with field activities an explicit requirement, or that decentralized staff are included in headquarters staff evaluations, and vice versa, among others discussed below. How this is achieved will vary across departments and technical units, within Organization-wide policy guidelines. At all locations there will be a “clear line-of-sight” from global goals through strategic objectives, results and outcomes all the way to individual annual work plans. Efforts to implement these changes are currently underway and should be seen as part and parcel of decentralization.

6. Based on the advice of the Joint Meeting of the Programme and Finance Committees of 12 October 2011, the 143rd Session of the Council (November-December 2011) endorsed two related sets of actions.¹ The first aims at making the Organization more responsive to the needs of Members through an improved results-based planning and priority setting. They reiterated “the lead role of decentralized offices in the country programming process, the development of their capacities in this regard, the necessity of the engagement of member countries, and the close linkages between FAO’s resource mobilization strategy and the country programming process.” The second proposes adjustments to the “structure and functioning of FAO’s decentralized offices network and the urgent need to carry through the process of decentralization” to make the Organization more efficient and effective in delivering and catalyzing results.

7. The next section of the present paper builds on three key themes identified by Governing Bodies in Rome in 2011 for consideration by the Regional Conferences in formulating their guidance: i) improved planning and priority setting in which the countries and regions play a greater role; ii) a more flexible decentralized office network with a new balance between regional, technical hubs and country offices; and iii) an integrated model for programme delivery, including improved human resources management for enhanced performance, accountability and country-level impact.

8. Section C of the paper outlines regional considerations related to food security and poverty, the existing status of FAO’s presence in the region, and highlights changes to make FAO more effective. The paper also seeks guidance of the Regional Conference on key decisions required to carry this process forward.

B. Key Themes Identified by Governing Bodies at the Global Level

(i) Improved Planning and Priority Setting

9. A key theme of the Governing Bodies is the need for improved planning, priority setting and resource mobilization. It requires a revamped process, now underway, that builds both from the bottom up planning at the country and regional levels, and from the top through the global-level guidance of the Members. This places new demands on the Regional Conferences, to provide input that lays out clear priorities and provides guidance on the allocation of FAO resources. Regional priorities need to be based on an assessment of the existing and emerging regional trends and challenges, build on consultations at subregional level and take into consideration the global goals and overall strategic objectives of FAO. The Regional Conferences also need to consider the priorities of Regional Economic Integration Organizations and the recommendations of Regional Technical Commissions. These regional priorities will guide the work, and have an impact on the structure, of

¹ CL 143/7 paragraphs 5-10, CL 143/REP paragraphs 12-14

FAO in the region, as well as contribute to the formulation of the Organization's global Medium Term Plan and Programme of Work and Budget.

10. For this to happen, strengthened Country Programming Frameworks (CPFs) are required. In order to improve focus and coherence of FAO's actions they will be prepared in close alignment with the planning cycle of the Government and its priorities, the work of other UN system organizations through the United Nations Development Assistance Framework (UNDAF) process, as well as linkages and partnerships with the Rome-based agencies. The CPFs will provide the basis for FAO to engage with Member governments on jointly agreed priorities and results, consistent with regional, subregional and global priorities. The CPFs will also help define the rationale and priorities in FAO's resource mobilization efforts.

11. A number of countries are well advanced in preparing CPFs based on strategic analysis. It is, however, a complex challenge for which not all countries are currently equally prepared. During 2012, the successful CPF formulation experiences will be followed closely and lessons synthesized and applied elsewhere. It is also important that the work coincide and build upon the analysis and priorities that emerge from the Government's own planning process. Taking this into consideration, it is expected that, by the end of 2012, all countries will have at least the CPF outline under discussion with the government. Country offices with annual delivery of less than USD 1 million and those without international staff, may opt for a "light version" for the CPF listing four to six priorities, with a plan for its implementation endorsed by government.

(ii) A More Flexible Decentralized Office Network with Strong Country Office Leadership

12. A more flexible and adaptable structure of decentralized offices is needed in order to better address the needs of the Member states, particularly the most vulnerable countries and populations, as well as take full advantage of the knowledge and resources that each country has to offer. This will require FAO Representatives of the highest quality in all countries, who are able to lead the CPF process, coordinate technical inputs, mobilize resources, form strategic partnerships and manage sizeable integrated development and emergency programmes. A guiding principle of this more flexible structure is that all FAO's human and financial resources in a particular region must be used to ensure more efficient and effective delivery at the country level. There are also important regional and transboundary activities that will continue to be carried out by officers based in regional offices, who also play an important role in supporting county programmes. Within this overall approach a number of actions, most of which will be completed within 2012, are set out below.

a) At the Country level:

- a.1 Renewal of FAO Representative contracts will be dependent on satisfactory performance, with a strengthened performance evaluation system; the posts of FAO Representatives are now integrated into the Organization's mobility and career development programmes; as part of the selection process, all finalists will undergo professional management competency testing prior to appointment; and a succession planning process is being implemented to ensure the smooth and timely transition between accredited FAO Representatives.
- a.2 Increased use of cost-sharing agreements with the host governments, in particular those of large and middle income economies, will be explored. This could open up the opportunity to reallocate resources to the vulnerable countries in the same region.
- a.3 There will be greater collaboration with other UN system organizations, particularly the Rome-based agencies, as well as the International Financial Institutions, the private sector and civil society at the country level.

b) At the Regional or Subregional levels:

- b.1 The Regional Office serves the countries and provides support and services to the country offices in the region. It is the operational hub of the region, providing overall administrative and managerial support to the decentralized offices network, as well as strategic coordination, including the most efficient use of staff and resources. This strategic coordination also includes more effective policy advice and the systematic exchange of experiences between

countries of the region and participation in various regional and subregional fora dealing with food security, agriculture and rural development issues. As with other aspects of decentralization, one size need not fit all and appropriate management models may be designed according to regional capacities and specificities, the number of countries to be serviced and the size of the field programme.

- b.2 The ADGs/Regional Representatives will be empowered in several ways: politically as representatives of the Organization in their region and, as managers, they are responsible for the FAOR network in their region. They will be involved in the selection of FAO Representatives and are responsible for the performance evaluation of the FAORs and their offices.
- b.3 As FAO moves to define its comparative advantages and plans of action around more cross-cutting themes for execution at the global, regional and country levels, it is important to maintain a critical mass of technical expertise, in multidisciplinary teams that are able to interact easily with each other. While keeping this in mind, technical posts and technical staff will be considered to be 'mobile' within the region and depending on the priorities and changing needs of countries or groups of countries, may be allocated to different duty stations. These duty stations would effectively become technical hubs that country offices can access based on their needs and requirements. The job descriptions of these technical staff will be amended to clarify that their primary function will be support to country-level actions guided by CPFs, subregional and regional priority frameworks, and higher level strategic frameworks of the Organization.
- b.4 Current Subregional Offices will become technical hubs in the sense that they will no longer have a strict subregional coverage. Country offices could thus access technical support from any of the technical hubs located in the region.

c) In general:

- c.1 The technical skills and resources in different regions will be strengthened to better provide technical support to countries. Programmatic adjustments will facilitate integrated programme planning, operations and resource mobilization support. Administrative support for procurement, human resources management and finance will be established at the regional level and strengthened.
- c.2 Transfer of functions and associated resources that are within the authority of Management will be implemented over the 2012-13 biennium.
- c.3 Human resources will be used more efficiently and effectively through, among other things, the introduction of the new mobility policy in 2012, to increase greater exchange of experiences between headquarters and decentralized offices. In addition, the new competency framework will help clarify expectations and define staff development needs, as well as provide a sound basis for consistent and objective performance standards and competency-based recruitment. It will also assist in strengthening the performance appraisal process.
- c.4 Increased flexibility will be provided to decentralized offices through enhanced use of non-staff contractual instruments, increased recruitment of national experts, junior professionals, volunteers, South-South Cooperation experts/technicians. In addition, the Organization will expand its agreements with national and international universities and research centres for the provision of fellows/volunteers.
- c.5 FAO Country Representatives, ADGs/Regional Representatives and Subregional Coordinators will be empowered to undertake more operational responsibilities, which will require a higher level of delegated authority and training, especially with regard to procurement, as well as improved integration with corporate financial and administrative systems.
- c.6 Guidelines for the provision of administrative and operational support (AOS) to projects, and the allocation of project support cost recoveries, will be reviewed to ensure that decentralized offices have the flexibility and operational capacity to provide AOS services to projects that they support.

(iii) *An integrated model for programme delivery*

13. Integrated programme management is required to ensure results and accountability in a coherent manner for all FAO's programmes and projects at the country level. This includes the integration of development, emergency and rehabilitation activities. The responsibility, management and accountability for operations related to emergency and rehabilitation activities will be transferred from the Director, Emergency Operations and Rehabilitation Division (TCE), to the decentralized offices, under the overall authority of ADGs/Regional Representatives. Following this transfer, the role of the Emergency Operations and Rehabilitation Division will shift from operational management to one of policy development, global coordination, provision of upstream support, resource mobilization and monitoring and reporting of the emergency and rehabilitation activities of the decentralized offices. This requires the building of capacity in the field for delivering one integrated emergency, development and policy assistance programme under a single authority, together with the necessary operational and accountability framework. The target date to complete the roll-out of this new management model is the end of the 2012-13 biennium.

(iv) *Risk, monitoring and oversight*

14. The extent and scope of the process of change outlined above will have a major impact on FAO's operations and effectiveness, and implementation will imply financial, reputational and operational risks which cannot be underestimated. Recent assessments and evaluations have identified some of the most important of these risks and challenges associated with decentralization and these have been brought to the attention of the Members together with proposed measures (see for example CL141/15). Some of the most critical risks and challenges relate to how to determine the optimal scale and scope of the country offices network, ensure an adequate level and allocation of core resources and income for decentralized offices in line with their expanded responsibilities, and reap the synergies between the Organization's emergency and development work – proposals on these issues are contained in this paper. Building on the findings of recent reports by the FAO Inspector-General on financial management and administration (AUD 2811), and on decentralization of reform activities in field offices (AUD 3711), the Organization will address the weaknesses which undermine the capacity of country offices to manage operations. It will do so by ensuring that decentralized offices are staffed with well trained individuals, with the skills mix and experience required to manage a complex programme. Common characteristics of well performing offices are now clearly understood: adequate staffing and funding for posts; leadership and "tone at the top"; commitment to competence and real-time response to policy opportunities; and information and communication. Strong and reliable communication and information will also be pursued in connection with the implementation of the Culture Change Strategy described in paragraph 4 above. Furthermore, the virtualization of FAO's work and the increase of responsibilities to decentralized offices will increase the exposure of key FAO financial, administrative and technical processes to the risk of disruption in the event of a natural or man-made disaster or crisis. Such risks are addressed in the FAO Business Continuity Framework Plan (BCFP) developed in 2011 and to be implemented in 2012.

15. The current administrative and operations structure, including programme monitoring and oversight of activities in the region, subregion and countries, has evolved over the years as different functions were incrementally decentralized. For example, field programme operations were decentralized a decade ago, a Shared Services Centre hub was established in 2008, and since 2010 the Technical Cooperation Programme (TCP) and country offices network support and monitoring responsibilities have been delegated to the regions. This decentralization experience is the focus of a series of ongoing or planned regional-level evaluations, of which an evaluation of the Near East Region has been completed. It appears from the evaluation that while there have been clear benefits, there have also been problems of incremental changes leading to a fragmented structure that can inhibit the integrated support, management and oversight of field activities. These aspects need to be implemented and managed thoughtfully and carefully.

16. Opportunities therefore exist to make the most effective use of available resources by rationalizing the execution of administrative and operational functions and sharpening the focus

towards integrated monitoring and oversight of country, subregional and regional programmes. The deployment of a new Global Resource Management System in 2012-2013 will provide all regions with improved tools to carry out delegated functions in managing field operations and supporting decision-making. It will facilitate the establishment of an integrated operational support unit in the Regional Office covering all field activities in the region, irrespective of the source of funding.

17. In 2012, adjustments will be implemented to strengthen the TCP criteria on meeting priorities in the region, in particular the needs of the countries, in line with the CPFs and regional priority frameworks. This will allow TCP projects to be used more strategically and be upscaled into programmes that have significant national/regional impact and can leverage more resources.

18. To ensure accountability, the ADG/Regional Representative has the authority for the work planning and implementation of the approved Programme of Work and Budget for the Regional Office, technical hubs and country offices in the region. In order to achieve this, the policies and procedures governing decentralized office resources management will be reviewed and oversight mechanisms put in place to allow for the necessary flexibility.

C. Considerations for the Asia and the Pacific Region

19. As highlighted in document APRC/12/6, Programme of Work and Budget 2012-13 and areas of priority actions for Asia and the Pacific region for the following biennium 2014-15, the Organization is undertaking, together with its Members, a thorough strategic review of what it is best placed to provide, working with many other partners, to meet our shared Global Goals. FAO needs to organize its work in order to help Member countries achieve these goals individually at the national level and collectively at the regional and global levels. How FAO applies its efforts will necessarily vary across regions and across countries within a region. This ongoing analysis takes an interdisciplinary approach, focusing on development issues that encompass a number of technical areas. The approach shall be flexible as we move forward, and as the Organization makes choices, we need to consider carefully where it should concentrate its efforts and resources. This longer-term perspective requires major input from the Regional Conferences. In addition, input is required on priorities for the current Programme of Work and Budget. This section of the paper outlines several proposals specific to the Asia and the Pacific Region, and variations within the Region, which may imply adjustments to the current PWB 2012-13.

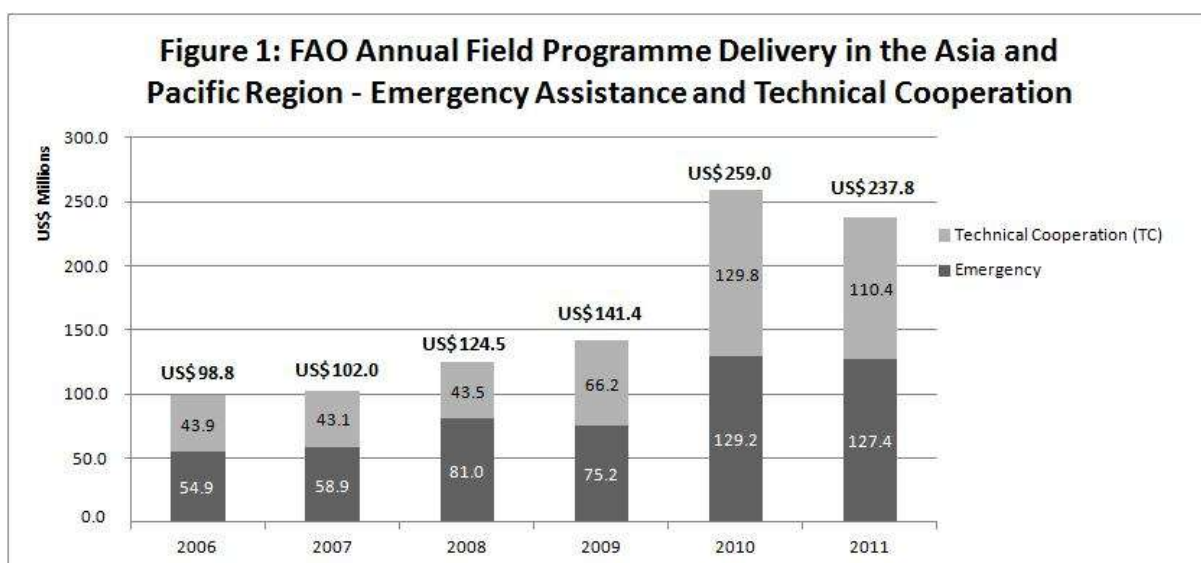
20. There are several areas where the Asia and the Pacific Region will focus its consideration and where concrete decisions will need to be made. These include:

- a) better serving the small island developing states;
- b) enhancing the role of large and middle income countries in collaborative partnerships, technical assistance and knowledge sharing; and
- c) new arrangements for managing support to vulnerable populations - integrating development, rehabilitation and emergency assistance.

21. Undernourishment in the Asia and the Pacific Region has fallen from 20 percent of the total population in 1990-92 to 16 percent in 2010. Notwithstanding this good overall progress, there are still over 550 million undernourished people, over 60 percent of the world's total population, who live in the region. In several countries, the number of hungry people has gone up over the last two decades, in some cases fairly sharply. However, even in countries such as China, Thailand and Viet Nam, which are well on the way to meeting MDG 1 on halving the proportion of hungry by 2015, pockets of hunger continue to persist in resource-poor and relatively remote regions and particularly among specific ethnic groups or communities. In recent years new challenges have emerged in the efforts to reduce hunger. These relate to population growth and urbanization, international food price volatility, slower global economic growth, increased pressure on land and water, climate change and more frequent natural disasters.

22. In a region where rapid economic growth and increasing agricultural production provide a favourable enabling environment for hunger reduction, it is difficult to accept that MDG 1 may not be

met. It is essential that FAO work closely with the Members to take strong and well directed actions to reduce undernourishment rapidly. In recent years, FAO's field programme in the Asia and the Pacific Region has expanded with annual project delivery doubled over the last four years (Figure 1). However, much more needs to be done with actions tailored to the needs, circumstances and capacities of different Member countries. In countries where overall hunger continues to rise, the priority clearly needs to focus on policies and programmes that shift the pattern of agriculture and rural growth in favour of the poor and small farmers, such as including them preferentially when procuring foods for local safety nets. In other countries, where undernourishment in overall terms has been falling but hunger persists among those outside the mainstream of economic growth, more targeted programmes and projects are needed. The region has 17 small island developing states that have special needs that should be addressed. Among these is a high dependence on imported foods and a multiple burden of malnutrition manifesting itself in vitamin and mineral deficiencies and high rates of nutrition-related non-communicable diseases, which are now the leading cause of ill health and death among adults. FAO studies, most notably the recent State of Food and Agriculture (SOFA) 2010-2011, have pointed out the high returns from a greater attention to gender aspects of food security, particularly in South Asia where nutrition and health indicators for women consistently lag behind those of men.



23. The need for strong action was highlighted by the 30th APRC held in 2010, which requested FAO to respond to the needs of Member countries in a more timely and effective manner through promoting a multi-disciplinary approach as well as other measures.

FAO's Presence, Structure and Functioning in the Asia and the Pacific Region

24. The decentralized offices network in the Asia and the Pacific Region comprises a Regional Office (RAP), one Subregional Office (SAP) and 13 fully fledged country offices. The Regular Programme (RP) currently funds a total of 277 posts comprising 62 International Professional Officer posts (including 42 professionals in RAP, seven in SAP and 13 FAO Representatives), 28 National Professional Officer posts, and 187 General Service posts in the decentralized offices network (see Table 1). The budgeted cost of the RP in 2010-11 in the Region was USD44.4 million of which USD23.1 million was for the Regional Office, USD4.0 million for the Subregional Office, and USD17.3 million for the country offices network. The work, structure and functions of the decentralized offices are set out in Annex 1.

Table 1: Asia and the Pacific - Staffing and Regular Programme Resources at summary level

| 2010-11 Regular Programme Resources | | | | | |
|-------------------------------------|-------------------------------------|------------|-----------|------------|------------|
| Office | Biennial RP Budget (USD '000) | Percent | Posts | | |
| | | | Prof | GS | Total |
| RAP (Regional Office) | 23 125 | 52 | 42 | 75 | 117 |
| SAP (Subregional Office) | 4 020 | 9 | 7 | 7 | 14 |
| Country Offices Network | 17 271 | 39 | 41 | 105 | 146 |
| Total Asia & the Pacific | 44 416 | 100 | 90 | 187 | 277 |

25. A renewed effort by FAO to address the issues of food security in the region requires stronger support, particularly at country level, to ensure that the Organization's knowledge can help and guide Government interventions. While this will require more funding than can be currently allocated, as highlighted in paragraph 3, the first step is clearly to make the best use of those human and financial resources that currently are available within the Region. This may come from extra-budgetary funds, AOS resources, outposted technical officers, secondments or other agreements with collaborating agencies, or from RP cost savings from Functional Objectives X and Y. It is not envisaged that RP funds from technical programmes will be transferred for this purpose. As set out below, this will require a strong planning and priority setting process; a more flexible approach to the network of offices in the Region, with a new balance between RAP, the Pacific Subregion, technical staff located elsewhere, and country offices; and an integrated model for programme delivery where the Organization's knowledge and resources are made available in a synergistic and multidisciplinary manner to Members.

(i) Improved Planning and Priority Setting

26. Greater focus and coherence of FAO actions require a country-level priority setting that is well linked upwards and downward with FAO's regional and corporate strategic actions through the result-based programming and budgeting process. In the case of the Asia and the Pacific Region, this process is now well advanced. A Regional Priority Framework for the period 2010-2019 has been prepared through a multi-stakeholder consultation process involving farmer organizations, civil society and private sector representatives, and development partners, as well as consultation meetings with the Association of Southeast Asian Nations (ASEAN), the South Asian Association for Regional Cooperation (SAARC) and the Pacific Islands Forum (PIF), and was adopted at the 30th APRC in 2010. The Regional Priority Framework sets out five strategic priority areas:

- A) Strengthening food and nutritional security with special emphasis on food safety and nutrition;
- B) Fostering agricultural production and rural development;
- C) Enhancing equitable, productive and sustainable natural resource management and utilization;
- D) Improving capacity to prepare and respond to food and agricultural threats and emergencies; and
- E) Coping with the impacts of climate change on agriculture and food and nutritional security.

At the same time, all countries in the Asia and the Pacific Region have either prepared, and/or agreed with the Governments, a CPF or are in the process of doing so with a target completion date of end-2012. These CPFs are aligned with national priorities and integrated with the work programme of other development partners including other UN system organizations through the UNDAF, and provide a clear roadmap for actions at country level.

(ii) *A More Flexible Decentralized Office Network with Strong Country Leadership*

27. The Asia and the Pacific Region contains a huge variation in country size as well as in the levels of hunger and poverty, both across and within countries. In order to make best use of available resources, FAO staff in the Region need to be allocated with flexibility to country, subregional and regional offices on the basis of Members' needs and requirements, and the size and complexity of the Organization's development and emergency programmes.

Structure

28. In order to direct FAO's resources in the most cost effective manner possible to achieve the results called for, it is proposed to:

- Retain the current full-fledged country offices in the 13 countries where such offices already exist.
- Strengthen FAO's presence in the Pacific Island Countries that are Least Developed or Low Income Food Deficit Countries. Depending on resource availability that would allow additional technical staff to be placed in the subregion, this may include establishing new RP posts or extra-budgetary posts.
- The Subregional Coordinator acts currently as FAO Representative for all the Pacific Island Countries. He/she is supported by an Assistant FAO Representative and a Programme Assistant only for Samoa and by National Correspondents in the other 13 Pacific Island Countries. While the National Correspondents system in the Pacific has, to some extent, worked satisfactory, it can be strengthened by recruiting a National Professional Officer who would be fully dedicated to FAO activities – to ensure standards of quality, while strengthening the visibility of FAO work and enhancing monitoring of project activities. In addition, arrangements will be made for several of the technical team members to assist the Subregional Coordinator in carrying out his responsibility as FAO Representative in specific countries.
- Strengthen and modify the terms of reference and functional statement of the offices of large and middle income countries in the Region adding, in addition to their current functions, a focus on a range of South-South Cooperation opportunities, and on building active partnerships with the private sector and civil society. This would result in a mix of functions of a traditional country office and those of a Liaison Office. These modifications will be implemented following consultation and agreement of the Governments concerned.
- In large countries where responsibility for agriculture or other policy matters have been decentralized to sub-national (e.g., state or provincial) level, it is proposed to establish sub-offices with support from the governments or extra-budgetary sources. This will allow FAO to work closer to where much of the action takes place. Such offices should be set up in a collaborative manner with governments and other UN system agencies in the context of the UNDAFs, with the available resources at country level.

Staffing and Resources

29. Greater effort will need to be made to mobilize more resources, which will include:

- Build on successful regional resource mobilization actions such as the agreement with the Asian Development Bank, the International Fund for Agricultural Development (IFAD), the Organization of the Petroleum Exporting Countries (OPEC) Fund, the European Union and the World Bank; with civil society organizations and private sector organizations; with multi-donor and UN joint financial resources, such as the Global Environment Facility (GEF), the Global Agriculture and Food Security Program (GAFSP), the UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD), the UN Trust Fund for Human Security (UNTFHS) and the Spanish-MDG Fund.

- RAP has put considerable effort into promoting partnerships with UN sister agencies, development partners and CSOs. The FAO, ADB, IFAD Regional Food Security Partnership Agreement was signed in 2010 to promote joint collaboration in agriculture and food security. Additionally, FAO Chairs the Regional Thematic Working Group on Poverty and Hunger, in which nearly 30 UN agencies, development partners and CSOs are members. FAO also promotes active collaboration with the private sector and CSOs for advocacy and joint collaboration. A memorandum of understanding was recently signed with the Asian Football Confederation (AFC) and similar arrangements are in the pipeline for collaboration with the Nippon Foundation and Table for Two as well as with other civil society organizations and private sector.
- Promote Unilateral Trust Fund (UTF) programmes in countries that have their own resources or investment loans from international financing institutions (IFIs) to finance projects for FAO's execution.
- In order to enhance its technical skills and expertise, FAO will promote the hosting and secondment of technical expertise from external organizations or development partners to be based in RAP, SAP or country offices. This would include posts funded in the past through Trust Fund project arrangement (Republic of Korea), through a Memorandum of Understanding (France) or through partnership agreements with research institutions (China) and the private sector.
- FAO will also continue to play its catalytic role in promoting a range of South-South Cooperation activities and will work closely with countries to provide expertise to other countries within the Asia and the Pacific Region and elsewhere.
- With regard to FAO's own core staffing, these will be flexibly allocated in line with the agreed priorities. More specifically, the post descriptions and work programmes of all technical staff will be more explicitly directed to country support and impact. As outlined above, this may include, where appropriate, outposting of technical staff on assignments to different countries or as part of teams, according to needs and priorities. These staff will continue to provide support throughout the region but will be located closer to, and be in more continuous contact with, countries where their expertise is particularly critical at a given time. The Region has considerable experience along these lines, with former or currently seconded headquarters staff serving in projects in dairy development, as well as meat and meat processing in Mongolia, transboundary animal diseases based in Beijing and Kathmandu, and in the placement of technical staff within the secretariats of ASEAN and SAARC.

(iii) An integrated Model for Programme Delivery

30. To achieve coherence of FAO's programmes at the country level all component parts of FAO must function as one under the overall leadership of the FAO Representative. In countries where there are substantial emergency operations, such as Afghanistan, Bangladesh, Democratic People's Republic of Korea, Pakistan and Sri Lanka, which require the services of a dedicated Emergency and Rehabilitation Coordinator, they will work under the authority of the FAO Representative. FAO Representatives will thus be the manager and budget holders of all national projects and programmes that will be formulated and implemented in the context of the CPF, thereby ensuring greater synergy and impact. Similarly, for regional or subregional emergency projects, the ADG/Regional Representative, RAP, and Subregional Coordinator, SAP, are expected to be the budget holder respectively and will act as the immediate supervisor of Regional and Subregional Emergency and Rehabilitation Coordinators. In line with this overall decision, the following actions will be implemented:

- By March 2012, emergency and rehabilitation operations responsibility will be passed to FAO Representatives in Bangladesh, Sri Lanka, Cambodia, Philippines, Democratic People's Republic of Korea and Timor-Leste.
- By the end of 2012, this will take place for Pakistan and Afghanistan. The Asia and the Pacific TCE headquarters team will shift to the Region by the end of 2012, and the current TCE Asia Desk will be located in Bangkok, which could entail five professional positions and related support staff being posted in RAP.

31. As mentioned in paragraph 12 above, the empowerment of FAO Representatives, as well as of RAP and SAP, to undertake more operational responsibilities will require a higher level of delegated authority as well as improved integration with corporate financial and administrative systems. In order to do this, the following steps have been implemented or are in the process of being implemented:

- International Procurement Officers (IPOs), working under the responsibility of the FAO Representative, but with functional guidance of the Administrative Services Division (CSA), will be posted in all countries where there are large operations. This has already been done in Bangladesh and Pakistan and by the end of 2012 will also be done for Afghanistan and Sri Lanka.
- The ongoing training programmes on operational and administrative aspects, including procurement, financial systems, and project design and formulation, will be further reinforced, particularly for FAO country office staff. Management and leadership training for Heads of decentralized offices will also continue. Wherever possible, this training will be conducted in collaboration with other UN system agencies.

(iv) Cost Implications

32. The above set of proposals, which aim at enhancing FAO capacity at country level, will have cost implications. These will go for increased mobility, staff training and development and strengthening FAO's support in some offices. As mentioned in paragraph 25, these costs may be covered from extra-budgetary funds, AOS resources, outposted technical officers, secondments or other agreements with collaborating agencies, or from RP cost savings. A detailed implementation plan will be prepared.

D. Guidance Sought

33. In considering actions arising from the Vision and Strategy of the decentralized offices network, the Member states have recognized the distinct roles of the Governing Bodies and management in moving forward with the endorsement and speedy implementation of the proposals. The FAO Conference in 2011 requested that "the Regional Conferences which will be held in 2012 should review FAO's country coverage in their region, with a view to enhancing the Organization's effectiveness and efficiency at country level and make recommendations to the Council in 2012 on the most suitable structure and skills mix of the decentralized offices network in their region, including close alignment to country needs in line with country frameworks." (C2011/7, paragraph 158). In line with this guidance the 31st APRC is invited to advise on:

- a) The proposals to make the Organization work more effectively and efficiently at country level through improved planning and priority setting as set out in paragraphs 9 - 11 and in particular the proposal in paragraph 22 that:
 - i) in countries where overall hunger continues to rise, the priority clearly needs to focus on policies and programmes that shift the pattern of agriculture and rural growth in favour of the poor and small farmers;
 - ii) in countries, where undernourishment in overall terms has been falling but pockets of hunger persist among those outside the mainstream of economic growth, more targeted programmes and projects are needed;
 - iii) special attention needs to be given to the small island developing states; and
 - iv) other technical areas be included according to the priorities set out in the CPFs in fields such as food safety, barriers to trade, transboundary plant pest and animal diseases, nutrition and others.
- b) The overall proposals for a more flexible decentralized office network with strong country office leadership as set out in paragraph 12, as well as the specific proposals for the Asia Pacific Region which include:

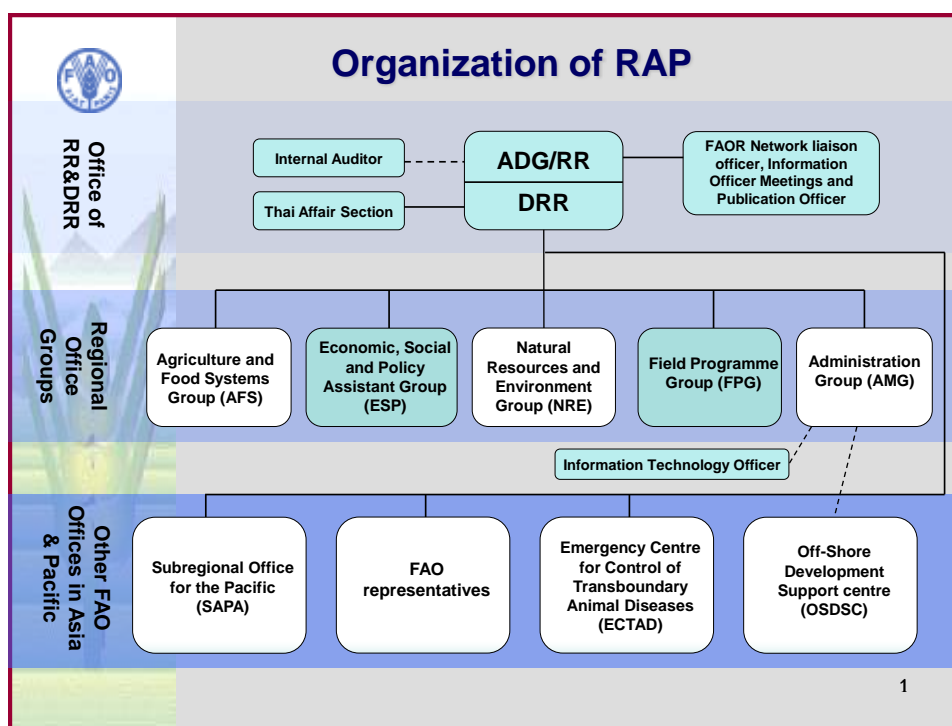
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- i) retaining the existing 13 country offices; strengthening country offices where possible; modifying the terms of reference of country offices in large and middle income economies; and reviewing the feasibility of subnational offices in some countries (paragraph 28); and
 - ii) enhancing resources allocated to the decentralized offices through an enhanced share of AOS income in line with the greater responsibilities given to them; innovative resource mobilization efforts, including with partners; and locating technical staff in technical hubs that are closer to countries where their expertise is particularly critical (paragraph 29).
- c) An integrated approach to programme delivery as set out in paragraphs 13-18, as well as the proposals for the Asia Pacific Region that include:
- i) a phased transfer of responsibility for emergency operations at country level to FAO Representatives, and for regional or subregional emergency projects to the ADG/Regional Representative, RAP, and Subregional Coordinator, SAP; the overall authority for the emergency programme in the region will be with the ADG/Regional Representative (paragraph 30);
 - ii) and further delegations of authority to decentralized offices accompanied by appropriate training (paragraph 31).

Annex 1

Structure and Functions of the Decentralized Offices in the Asia and the Pacific Region

- a) **The Regional Office.** RAP is responsible for identification, formulation and implementation of regional priorities, as well as the planning, implementation, monitoring and reporting of FAO's response to the priorities of Members in the context of agreed corporate Strategic Objectives and the approved Regional Priority Framework; and for providing technical, administrative and operational support to the Subregional Office and country offices. RAP acts as the first port of call for technical support. There are 42 Professional and 75 General Service posts in RAP. In response to the request by the 29th APRC, RAP has carried out a review of its structure and has formulated a new institutional structure by creating multidisciplinary groups. The new organizational chart of RAP and skills mix of each of the five RAP regional office groups are shown in the chart below. The staff skills mix has been kept under review with staffing and structure being progressively aligned to emerging needs and priorities. The Regional Office in Bangkok also hosts the Shared Services Centre hub for Asia and the Pacific which comprises 13 staff with a cost of USD1 580 000 per biennium; and the Offshore Development Support Centre that was established in 2007 and that comprises 8 staff with a cost of USD2 170 000.

RAP Organizational Structure (as at 31 December 2011)



- b) **The Subregional Office.** The Asia and the Pacific Region has one Subregional Office (Subregional Office for the Pacific Islands, SAP) which is based in Apia (Samoa) and covers 14 Member countries and one associate Member in the Pacific Islands with a biennial (2010/11) RP budget of USD4 020 000. SAP has 7 international professional officer posts and 7 General Service posts plus one National Operations Officer post funded from AOS income. There are four additional General Service posts belonging to the FAO Representation in Samoa co-located in SAP. The office is headed by the Subregional Coordinator, and works as a subregional hub for the countries in the subregion and leads FAO's response to priority areas in the subregion in close collaboration with subregional organizations. The Subregional Coordinator is accredited as the FAO Representative to all the Pacific Island Countries.

- c) **The Country Offices Network.** Country offices lead the country-level planning, resource mobilization and implementation of FAOs programmes and activities jointly with the recipient Government and through partnerships with national institutions, UN agencies, development partners, civil society and private sector. They lead the formulation and implementation of the CPF, coordinate the preparation and implementation of FAO's programmes including Country Work Plan and act as Budget Holder for management of national projects . Where necessary, country offices have dedicated Emergency and Rehabilitation Coordination Units (ERCUs). The Organization is progressively granting delegation of authority to country offices to respond to emergencies as Budget Holder, when appropriate capacity exists to address the complex challenges of FAO's emergency and humanitarian operations. The Region's Country Offices Network has a biennial RP budget allocation of USD17 271 000 (for biennium 2010/11). The fully fledged offices comprise, under RP funding, 13 international professional officer posts (FAO Representatives) together with 28 National Professional Officers and 105 General Service staff. In addition there are one international procurement officer post (Bangladesh) and several national professional officer or General Service posts funded from AOS income to meet emerging needs of the countries. Eighteen countries, of which 13 are in the Pacific, are covered through multiple accreditation.